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UNITED STATES TRUSTEE
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ASSISTANT UNITED STATES TRUSTEE
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UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re:	)	Case No.: 2:23-bk-14602-VZ
)	
	)	Chapter 7
MICHAEL ZHANG,)	
	)	Adv. No.: 2:23-ap-01448-VZ
Debtor.)	
_____)	
CLAY FOLDEN, an individual and	)	UNITED STATES TRUSTEE'S
NIMBUS LABORATORIES, a California	)	STATEMENT REGARDING INTENTION
corporation,	)	TO INTERVENE IN 727 LITIGATION
)	
Plaintiffs,	)	<u>Hearing:</u>
	)	Date: March 25, 2025
	)	Time: 11:00 a.m.
vs.	)	Ctrm: 1360
	)	255 E. Temple Street
MICHAEL ZHANG,	)	Los Angeles, CA 90012
)	
Defendant.)	
)	
)	
)	
_____)	

**TO THE HONORABLE VINCENT ZURZOLO, UNITED STATES BANKRUPTCY
JUDGE, THE PLAINTIFFS, THE DEFENDANT, AND ALL INTERESTED PARTIES:**

As stated in prior pleadings, the U.S. Trustee's investigation into this bankruptcy case has revealed that the claims made in the above-captioned adversary proceeding under 11 U.S.C. § 727 are viable and that the prosecution of those claims would be in the best interest of the creditors.

1 On December 12, 2024, the Debtor, Michael Zhang, filed a Motion to Approve Compromise
2 with creditor, Clay Folden, including proposed dismissal of 727 claims (the “Compromise Motion”,
3 Adv. Dkt. No. 27). On December 19, 2024, the U.S. Trustee filed a response to the Compromise
4 Motion, seeking to intervene and substitute in as the plaintiff in the pending above-captioned
5 adversary proceeding (the “Adversary”).

6 On February 13, 2025, the Court held a hearing on the Compromise Motion and requested
7 all parties to converse with one another and file a statement regarding their intentions with respect
8 to the Compromise Motion and the Adversary.

9 The U.S. Trustee has spoken with Michael Allan, counsel for Debtor, Michael Zhang (the
10 “Debtor”), and it is the U.S. Trustee’s understanding that the Debtor will proceed with that portion
11 of the 9019 motion and settlement which resolves the §523 non-dischargeability claims with Clay
12 Folden and Nimbus Laboratories. With respect to the 727 claims, the U.S. Trustee and Debtor are
13 currently engaged in settlement negotiations, including a potential waiver of the Debtor’s discharge.
14 The U.S. Trustee is hopeful such negotiations will result in a swift resolution of the outstanding
15 claims in this Adversary.

16
17 Dated: March 10, 2025

Respectfully submitted,

18 PETER C. ANDERSON
19 UNITED STATES TRUSTEE

20 /s/Noreen A. Madoyan
21 NOREEN A. MADOYAN
22 Trial Attorney
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PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

915 Wilshire Blvd., Suite 1850, Los Angeles, CA 90017

A true and correct copy of the foregoing document entitled (*specify*): **U.S. Trustee's Statement Regarding Intention to Intervene in 727 Litigation** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) 3/10/25, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- **Steven A Alpert** enotice@pricelawgroup.com, alpert@pricelawgroup.com;r43354@notify.bestcase.com
- **Rosendo Gonzalez** rossgonzalez@gonzalezplc.com, rgonzalez@ecf.axosfs.com;jzavala@gonzalezplc.com;zig@gonzalezplc.com;gig@gonzalezplc.com
- **David S Hagen** davidhagenlaw@gmail.com
- **Jeremy H Rothstein** jrothstein@gblawllp.com, msingleman@gblawllp.com;MBowes@gblawllp.com
- **United States Trustee (LA)** ustpreion16.la.ecf@usdoj.gov
- **Timothy Yoo (TR)** tjytrustee@lnbyg.com, tjy@trustesolutions.net

☐ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (*date*) 3/10/25, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Please see attached.

☒ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) _____, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

3/10/25

Date

Noreen A. Madoyan

Printed Name

/s/ Noreen A. Madoyan

Signature

SECTION II – U.S. MAIL SERVICE

Debtor

Michael Zhang
1629 Fremont Ave., Apt. 1,
South Pasadena, CA, 91030

Judge

Hon. Vincent P. Zurzolo
Edward R. Roybal Federal Building and Courthouse
255 E. Temple Street, Suite 1360
Los Angeles, CA, 90012

Moving Party

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Jeremy H Rothstein,
16000 Ventura Blvd Ste 1000,
Encino, CA, 91436

Other

Michael L. Allan
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